



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Steel Threaded Rod from India

- On December 12, 2013, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of steel threaded rod from India.
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce preliminarily determined that mandatory respondent Mangal Steel Enterprises Ltd. received a subsidy rate of 8.13 percent. Commerce also preliminarily determined that mandatory respondent Babu Exports received a subsidy rate of 38.98 percent. All other producers/exporters in India have been assigned a preliminary subsidy rate of 8.13 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- The petitioners for this investigation are All America Threaded Products Inc. (Denver, CO), Bay Standard Manufacturing Inc. (Brentwood, CA), and Vulcan Threaded Products Inc. (Pelham, AL).
- The merchandise covered by this investigation is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Included in the scope of this investigation are steel threaded rod, bar, or studs, in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or

- 0.30 percent of cobalt, or
 - 0.40 percent of lead, or
 - 1.25 percent of nickel, or
 - 0.30 percent of tungsten, or
 - 0.012 percent of boron, or
 - 0.10 percent of molybdenum, or
 - 0.10 percent of niobium, or
 - 0.41 percent of titanium, or
 - 0.15 percent of vanadium, or
 - 0.15 percent of zirconium.
- Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.
 - Excluded from the scope of this investigation are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (“ASTM”) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.
 - In 2012, imports of steel threaded rod from India were valued at an estimated \$16.6 million.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about April 28, 2014.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of steel threaded rod from India materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination in April 2014.

PRELIMINARY SUBSIDY RATES:

| COUNTRY | EXPORTER/PRODUCER | Subsidy Rates |
|---------|-------------------------------|---------------|
| India | Mangal Steel Enterprises Ltd. | 8.13% |
| | Babu Exports | 38.98% |
| | All Others | 8.13% |

CASE CALENDAR:

| EVENT | DATE |
|--|-------------------|
| Petition Filed | June 27, 2013 |
| DOC Initiation Date | July 17, 2013 |
| ITC Preliminary Determination | August 12, 2013 |
| DOC Preliminary Determination [^] | December 11, 2013 |
| DOC Final Determination ^{*^} | April 28, 2014 |
| ITC Final Determination ^{**} | June 12, 2014 |
| Issuance of Order ^{***^} | June 19, 2014 |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

[^] As explained in the Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. Therefore, the deadlines in this investigation have been extended by 16 days.

*The final determination has been aligned with the final determination in the concurrent antidumping duty investigation.

**This will take place only in the event of a final affirmative determination by Commerce.

***This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

| INDIA | 2010 | 2011 | 2012 |
|----------------------|------------|------------|------------|
| Volume (metric tons) | 13,200 | 15,400 | 12,200 |
| Value (USD) | 16,692,000 | 20,598,000 | 16,561,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7318.15.5056, 7318.15.5051, 7318.15.5090, and 7318.15.2095)